



POWELL & SPAFFORD, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Jessie C. Powell, CPA
Patrick D. Spafford, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Supervisors
San Bernardino County Sheriff's Department

We have audited the accompanying statement of grant revenues and expenditures of the San Bernardino County Sheriff's Department (the Department) Operation CleanSWEEP Program Grant in accordance with the State of California's Office of Criminal Justice Planning Contract # IP02A10360 for the eighteen months ended March 31, 2005. This statement is the responsibility of the Department's management. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in accordance with the State of California's Office of Criminal Justice Planning Handbook. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of grant revenues and expenditures was prepared for the purpose of complying with the audit requirements of the State of California's Office of Criminal Justice Planning Handbook as described in Note 1 and is not intended to be a complete presentation of the Department's revenues and expenditures.

In our opinion, the statement referred to above presents fairly, in all material respects, the grant revenues and expenditures of the San Bernardino County Sheriff's Department Operation CleanSWEEP Program Grant in accordance with the State of California's Office of Criminal Justice Planning Contract # IP02A10360 for the eighteen months ended March 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2005 on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the County's Board of Supervisors, Sheriff's Department management and the State of California's Office of Criminal Justice Planning, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Lowell & Spafford, LLP

June 14, 2005

**SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
OPERATION CLEANSWEEP PROGRAM GRANT
CONTRACT # IP02A10360**

Statement of Grant Revenues and Expenditures

For the Eighteen Months Ended March 31, 2005

	<u>Funds Requested</u>	<u>Matching Funds</u>	<u>Total</u>
Revenues			
Reimbursements received/receivable			\$ 754,000
Expenditures			
Salaries and benefits	\$ 713,302	\$ 79,254	792,556
Services and supplies	36,554	4,064	40,618
Equipment	<u>4,144</u>	<u>460</u>	<u>4,604</u>
Total expenditures	754,000	83,778	<u>837,778</u>
Excess of expenditures over grant revenues received - Department cash match			\$ <u>(83,778)</u>

The accompanying notes are an integral part of this statement.

**SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
OPERATION CLEANSWEEP PROGRAM GRANT
CONTRACT # IP02A10360**

Notes to Financial Statements

1. Summary of Operations and Significant Accounting Policies

Description of the Reporting Entity

The statement represents the grant revenues and expenditures of the San Bernardino County Sheriff's Department (the Department) State of California's Office of Criminal Justice Planning (OCJP) Operation CleanSWEEP Program Grant Contract # IP02A10360 for the eighteen months ended March 31, 2005. The grant was funded by OCJP and administered by the San Bernardino County Sheriff's Department. The accompanying statement of grant revenues and expenditures presents only the activities of the Operation CleanSWEEP Program Grant Contract # IP02A10360 and is not intended to present the financial position of the San Bernardino County Sheriff's Department nor the County of San Bernardino itself in conformity with accounting principles generally accepted in the United States of America.

Description of Grant

The grant funds were made available to the Sheriff's Department to address the problem of discipline on school campuses by making it possible for vice principals and deans to write citations for offending students in addition to whatever disciplinary actions they may choose to employ according to the education code.

The preparation of this financial statement requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of revenues and expenditures, as well as the disclosure of contingent liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the statement. A description of the significant accounting policies employed in the preparation of this statement follows:

Statement of Grant Revenues and Expenditures

The statement of grant revenues and expenditures presents the eligible costs charged to the Operation CleanSWEEP Program Grant Contract # IP02A10360 by the San Bernardino County Sheriff's Department and the revenues received in reimbursement of those costs by OCJP.

Basis of Accounting

Revenues and expenditures are presented on the basis of accounting as allowed by the OCJP handbook where expenditures are recognized in the accounting period in which they are incurred or encumbered, that is, when goods are received or services are provided or a purchase order for the goods or services has been issued. Revenues are recognized in the accounting period in which reimbursable expenditures are incurred or encumbered.



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**Independent Auditors' Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

To the Board of Supervisors
San Bernardino County Sheriff's Department

We have audited the statement of grant revenues and expenditures of the San Bernardino County Sheriff's Department (the Department) Operation CleanSWEEP Program Grant Contract in accordance with the State of California's Office of Criminal Justice Planning Contract # IP02A10360 for the eighteen months ended March 31, 2005 and have issued our report thereon dated June 14, 2005.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Department's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests, disclosed an instance of noncompliance that is required to be reported herein under *Government Auditing Standards* issued by the Comptroller General of the United States as discussed in the Findings and Questioned Costs Section of this report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County's Board of Supervisors, Sheriff's Department management, and the California Office of Criminal Justice Planning, and is not intended to be, and should not be, used by anyone other than these specified parties.

Howell & Spafford, LLP

June 14, 2005

**SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
OPERATION CLEANSWEEP PROGRAM GRANT
CONTRACT # IP02A10360**

**Schedule of Findings and Questioned Costs
For the Eighteen Months Ended March 31, 2005**

Findings and Questioned Costs for the Eighteen Months Ended March 31, 2005:

Finding

The Department had employees charged to this grant and other internal departments prepare a time study to support amounts charged to this grant. However, two of the time studies were informal and not approved by a supervisor.

Questioned Costs

Not able to determine fiscal impact, if any.

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Recommendation

We recommend that the Department develop a formal process for the preparation of time studies and have the results approved by an appropriate supervisor.

Status of Prior Year Findings and Questioned Costs:

Summarized Prior Year Finding

The Department incorrectly reported a vehicle light bridge under operating expenses on OCJP Form-201. A vehicle light bridge is considered equipment for grant reporting purposes and should have been budgeted as such.

Current Status

The Department reimbursed OCJP for the questioned cost and now carefully reviews grant budgets and expenditures against grant budget line items.